

## **MEMORANDUM**

TO: Paul E. Foster, P.E.

THROUGH: Ravi Rangan, P.E.

FROM: Bruce Steltzer

**SUBJECT: Delaware City Refining Company, LLC  
Delaware City Sales Terminal  
Permit: AQM-003/00404-Renewal 2**

DATE: April xx, 2011

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### **I. BACKGROUND:**

The Delaware City Refining Company, LLC (DCRC) owns and operates a Marketing Terminal in conjunction with their Delaware City Refinery. The terminal is located in New Castle County which is classified as a severe non-attainment area for ozone. The Sales Terminal is a major source because its potential to emit Volatile Organic Compounds (VOCs) is greater than 25 tons per year (TPY).

The Marketing Terminal consists of a 14 lane loading rack. Lanes 1 through 6 load diesel and fuel oils. Lanes 8 through 11 load gasoline. Lanes 12 through 15 load pressurized gas (butane, propane). Lane 14 also loads propylene. Lane 7 is not in service. The first 10 lanes are bottom loading lanes. During bottom loading operations, vapors containing VOCs are displaced. These vapors are controlled either by a High Efficiency Adsorption Absorption (HEADAB) Vapor Recovery Unit (VRU) or by a backup Vapor Combustion Unit (VCU).

The Title V renewal application was submitted by the refinery's previous owners, the Premcor Refining Group Inc. (aka Valero) with a cover letter dated May 7, 2010, signed by Rodney Reese, VP, Pipelines and Terminals.

On June 1, 2010, the refinery and sales terminal changed ownership to DCRC. DCRC amended the application on September 17, 2010 indicating the ownership change. In a letter dated March 21, 2011 DCRC requested a permit amendment changing the Responsible Official to Mr. Ed Jacoby, Sr. VP, Marketing & Logistics. This change is being processed within the scope of this renewal.

All Title V Fees have been paid to date.

The applicable Standard Industrial Code (SIC) for this facility is 5171 - Bulk Petroleum Marketing Terminal.

The Company has not requested any information be held confidential.

DAQ has prepared a "draft/proposed" permit and legal noticed the availability of the "draft/proposed" permit on April 3, 2011.

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**Table 1: EMISSION UNIT & POINT IDENTIFICATION**

<b>Emission Unit</b>	<b>Emission Point</b>	<b>Description</b>
Emission Unit 1 - HEADAB And Fugitive Emissions	001-A	Loading Rack Lanes and HEADAB vapor recovery unit (Emission Point 001-A). Gasoline Rack Process Fugitives: Gasoline Loading Vapor Recovery System, Connectors, Gaskets, and other components. Loading Rack Process Fugitives: Valves, Pumps, Fittings, Open-ended Lines, Compressors, Pressure Relief Devices.
Emission Unit 2 - Flare	001-B	Ground Level Air Assisted Flare - used as a back-up VCU during periods when the HEADAB is down.

**INSIGNIFICANT ACTIVITIES:**

The Company has requested that the following activities be considered insignificant activities in accordance with the requirements of Appendix "A" of 7 **DE Admin. Code** 1130. The insignificant activities are summarized in Table 2 of this memorandum.

**Table 2: INSIGNIFICANT ACTIVITIES**

<b>Source Description</b>	<b>Emission Point</b>	<b>Basis</b>
Diesel Storage Tanks (8,000 gallons)	007 008	<b>Appendix A(w)</b> - Diesel and fuel oil storage tanks with a capacity of 40,000 gallons or less.
Additive Storage Tanks: Tank 102213 Tank 202213 Tank 1069 Tank 1068 Tank 1096 Tank 1092 Tank 8233 Tank 8234 Tank 1071 Tank 1072 Tank 1075 Tank 1073 Tank 1095	003 004 005 006 012 013 014 015 016 017 018 019 020	<b>Appendix A(i)</b> – These are emission units for which an applicable requirement has not been promulgated, is not elsewhere listed as an insignificant activity and which has the potential to emit in the aggregate less than 25 tons per year of VOCs.

**II. IDENTIFICATION OF EXISTING REGULATION No. 2 PERMITS****Table 3: IDENTIFICATION OF EXISTING REGULATION No. 2 PERMITS**

<b>Reference Number</b>	<b>Full Regulation No. 2 Permit Designation</b>
<b><u>APC-88/0125(A2)</u></b>	<b><u>APC-88/0125-CONSTRUCTION/OPERATION (Amendment 2) (MACT)</u></b> issued October 28, 1998. Operation of a Bulk Gasoline Terminal that consists of a Vapor Recovery Unit and a Backup Vapor Combustion Unit.
<b><u>APC-88/0125(A3)</u></b>	<b><u>APC-88/0125-CONSTRUCTION (Amendment 3) (MACT)</u></b> issued March 20, 2001. Operation of the Bulk Gasoline Terminal to include loading Propane and Propylene.

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**Permit: APC 88/0125-OPERATION (Amendment 5)(MACT)** was issued October 24, 2008 for the operation of the 2 new replacement propane loading racks for lanes 12 through 15. It is not listed in Table 3 above because there were no new applicable requirements in the permit and none were transferred to the Title V permit. It is mentioned here only to recognize it was issued.

### **III. GENERAL:**

#### **Proposed Permit Changes:**

Renewal applications, in accordance with 7 **DE Admin. Code** 1130 section 7.3.1, may only address those portions of the permit that require revision, supplementing, or deletion. The refinery **did not propose any changes to the renewal permit.**

#### **New Applicable Regulations**

**There are no new** applicable limitations, standards, monitoring and testing requirements, or reporting requirements.

#### **Changes from the Current Permit:**

The Department updated several of the general conditions in the Title V permit. The State also renumbered its regulations. They are now referenced as 7 **DE Admin. Code 11xx** with the "xx" matching the previous format's two digit number.

### **IV. COMPLIANCE STATUS:**

The Company is in compliance with its current permit and is not on a compliance schedule.

### **V. PERMIT SHIELD:**

The Company has requested a permit shield in accordance 7 **DE Admin. Code** 1130 Section 7.3.3. This regulation states "*If a timely and complete application for a permit renewal is submitted, but the Department fails to take final action to issue or deny the renewal permit before the end of the term of the previous permit, then the permit shall not expire until the renewal permit has been issued or denied, and any permit shield granted for the permit shall continue in effect during that time.*" This is also detailed in permit Condition 2(l)(4).

### **RECOMMENDATION**

It is recommended that the attached draft renewal permit be advertised in accordance with 7 **DE Admin. Code** 1102 for the 45 day public review and comment.

PEF:CRR:slb

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pc: Dover Title V File